

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

APRIL 19, 2010

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee.

#### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration  
Tre Hargett, Secretary of State  
Justin Wilson, Comptroller of the Treasury  
David Lillard, State Treasurer

#### OTHERS PRESENT

Mike Fitts, State Architect  
Georgia Martin, State Architect's Office  
Alan Robertson, State Architect's Office  
Jurgen Bailey, Real Property Administration  
Bob King, Real Property Administration  
Genie Whitesell, Attorney General's Office  
Janie Porter, Attorney General's Office  
Melinda Parton, Comptroller's Office  
Jonathan Rummel, Secretary of State's Office  
Joy Harris, Treasurer's Office  
Annette Crutchfield, Legislative Budget Office  
Scott Boelscher, THEC  
John Carr, Department of Finance & Administration  
Cindy Liddell, Bond Finance  
Dottie Hagood, Real Property Administration  
Melanie Buchanan, Real Property Administration  
Dick Tracy, Tennessee Board of Regents  
Felenceo Hill, Dept of Finance and Administration  
Robert Lipscomb, City of Memphis  
Roland McElrath, City of Memphis  
George Little, City of Memphis  
Debbie Singleton, City of Memphis  
Marcus Ward, City of Memphis  
John Farris, City of Memphis

Rosemary Jackson, Walters State Community College  
Wade McCamey, Walters State Community College  
David Millhorn, University of Tennessee  
Stacey Patterson, University of Tennessee  
Paula Flowers, University of Tennessee Research Foundation  
Rick Casebeer, Department of ECD  
Stephen Philyaw, Department of Safety  
Capt Bob Brown, Department of Safety  
Mike Boshers, Department of Safety  
Ryan Gooch, Department of ECD  
Mark Vogel, Real Property Administration  
Nick DePalma, Real Property Administration  
Mark Cherpack, Dept of Finance and Administration  
J. J. Perdue, Dept of Environment and Conservation  
Jere Jeter, Department of Agriculture  
Jan Sylvis, Dept of Finance and Administration  
Diane Uhler, Tennessee Board of Regents  
Mike Gower, Middle Tennessee State University  
John Cotthern, Middle Tennessee State University  
Robbie Stivers, University of Tennessee  
Alvin Payne, University of Tennessee

Commissioner Goetz called the meeting to order at 10:37 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

\* \* \* \* \*

### CONSENT AGENDA

Treasurer Lillard had a question concerning Item M on the Consent Agenda. He asked if there was going to be a written definitive agreement that memorializes TEMA's use of the tower going forward. He asked that since the owner is willing for both agencies to continue to use the facility, how were they going to document that understanding. Jere Jeter, Division of Forestry, was recognized. He stated that Mr. Hilleary had given him a verbal agreement that he was going to do this. However, due to Mr. Hilleary's recent health issues, he had been unable to contact him, but said he was sure they would get it in writing. Treasurer Lillard stated he would like to go forward with the understanding that it was subject to obtaining a written definitive agreement by continued use at, or prior to, the time they part with control of the tower.

Secretary Hargett addressed several items on the Consent Agenda. He said, to be consistent, he was going to monitor to make sure what their appraisals come back at vs. what they have estimated those properties to be. Commissioner Goetz suggested to staff about having a standardized methodology for producing the estimates. He said there might be a standard way so that they aren't faced with what may or may not be a large discrepancy. Secretary Hargett said he wanted to make sure that, when they look at purchasing land across the State, someone doesn't come back in six months or six years and say there wasn't an arm's length transaction, or that there was an appraiser who knew somebody and that is how they got inflated values. After further discussion, Subcommittee approved the Consent Agenda as presented with the stipulations discussed above.

- A. Agency: University of Tennessee – Knox County  
Transaction: Disposal by easement  
Provision: Waiver of advertisement & appraisals
- B. Agency: University of Tennessee – Shelby County  
Transaction: Disposal in fee  
Provision: Waiver of advertisement & appraisals
- C. Agency: University of Tennessee – Knox County  
Transaction: Lease agreement  
Provision: Waiver of advertisement
- D. Agency: Tennessee Board of Regents – Shelby County  
Transaction: Acquisition in fee
- E. Agency: Tennessee Board of Regents – Montgomery County  
Transaction: Acquisition in fee
- F. Agency: Tennessee Board of Regents – Montgomery County  
Transaction: Acquisition in fee

- G. Agency: **Tennessee Board of Regents – Rutherford County**  
Transaction: Acquisition in fee
- H. Agency: **Item Removed**  
Transaction:
- I. Agency: **Tennessee Board of Regents – Hamblen County**  
Transaction: Lease Agreement
- J. Agency: **Tennessee Wildlife Resource Agency – Greene County**  
Transaction: Acquisition by easement
- K. Agency: **Tennessee Wildlife Resource Agency – Unicoi & Washington Counties**  
Transaction: Disposal in fee  
Provision: Waiver of advertisement & appraisals
- L. Agency: **Tennessee Wildlife Resource Agency – Unicoi & Washington Counties**  
Transaction: Acquisition in fee
- M. Agency: **Department of Agriculture – Rhea County**  
Transaction: Disposal by Declaration of Abandonment  
Provision: Waiver of advertisement & appraisals
- N. Agency: **Department of Environment & Conservation – Henderson County**  
Transaction: Disposal by lease  
Provision: Waiver of advertisement & appraisals
- O. Agency: **Department of Environment & Conservation – Henderson County**  
Transaction: Acquisition in fee
- P. Agency: **Department of Safety – Wilson County**  
Transaction: Lease agreement
- Q. Agency: **Tennessee Board of Regents – Montgomery County**  
Transaction: Demolition – 318 Home Avenue, Clarksville
- R. Agency: **Tennessee Board of Regents – Montgomery County**  
Transaction: Demolition – 240 Marion Street, Clarksville
- S. Agency: **Department of Environment and Conservation – Sullivan County**  
Transaction: Demolition – Old Ticket Office, Warriors Path State Park

DEPARTMENT OF FINANCE & ADMINISTRATION  
for  
THE CITY OF MEMPHIS

**SPECIAL ITEM**

Review of a request for approval to amend the Qualified Public Use Facility (QPUF) in Memphis to include the city owned Pyramid. At the present time the QPUF consists of only the Cook Convention Center. This would allow the City of Memphis to spend their incremental tax revenue on needed repairs and possible change of use to the Pyramid as well as on the Cook Convention Center. This amendment would not increase the size of their Tourist Development Zone (TDZ) nor would it extend the 30 year maximum period to receive this incremental revenue. This is in accordance with the Convention Center and Tourist Development Act of 1998. As required the Pyramid is located within the Tourist Development Zone. Currently several QPUFs in other cities have multiple facilities.

SSC Report: 04/12/10. Bob King summarized the transaction. Staff referred to Subcommittee for discussion.

SC Action: 04/19/10. Bob King presented the transaction and introduced the delegation from the City of Memphis who were present. The Subcommittee recognized George Little, CAO for the City of Memphis, who stated that the City was prepared to make a presentation, if it was the desire of the Subcommittee. Commissioner Goetz stated that there have been questions raised as to how the existing funds have been allocated and from what sources. Treasurer Lillard stated that there are several policy issues that they need to get straight going forward with respect to TDZ's in general. He recommended looking at this as approving the transaction that's been applied for by Memphis, and have that subject to a definitive agreement between Memphis and the State, and resolve any other issues that may be out there in conjunction with that.

Commissioner Goetz said they need to understand how similar allocation methodologies have been applied at other TDZ's. He said a verbal understanding was reached in 2000, but he didn't know if it was ever written anywhere. He said they need to understand what the policy has been and how it's been followed. Mr. Little stated that the City of Memphis certainly is not looking to break new ground relative to policy and will work with the Subcommittee with respect to establishing an agreement by which they may move forward. He said they are more than willing to apply the excess proceeds in ways that are being mutually agreeable with respect to retirement of the debt.

Treasurer Lillard stated that, assuming F&A has been able to certify the inclusion of the Pinch District and the Pyramid as Qualified Public Use Facilities in the Zone, he would move for approval of their application, subject to having a definitive agreement executed. Commissioner Goetz recommended that they report back to the Subcommittee relative to how these agreements exist and how to proceed going forward. The motion was seconded, and passed without objection.

UNIVERSITY OF TENNESSEE

WEST TENNESSEE SOLAR FARM, HAYWOOD COUNTY, TENNESSEE

- 1) Dr. David Millhorn, University of Tennessee, presented a request for approval to issue an RFP for services to design, install and operate a **Photovoltaic Power Generating System** at the West Tennessee Solar Farm in Haywood County. He said that a system impact study to determine the optimal transmission path and equipment design for delivery of power through the Chickasaw Electric Cooperative's system to the TVA grid will be included in the scope of work to be provided by the successful proposer. After completion of the system impact study, a separate RFP will be issued for the design and installation of equipment and facilities necessary to deliver power to the TVA grid. Dr. Millhorn referenced the agreements between the University of Tennessee and the Department of Economic & Community Development, and between the University of Tennessee and the University of Tennessee Research Foundation, and asked for approval to issue the RFP.

Treasurer Lillard stated that staff had looked at the agreements and found them to be in order. Mr. Fitts commented that the RFP should include a statement that final approval of the contract award pursuant to the RFP is subject to SBC approval. Treasurer Lillard made a motion to approve issuing the RFP with that stipulation. Further, it was understood that the subsequent RFP for the design and installation of equipment and facilities necessary to deliver power to the TVA grid will be brought to the SBC for review and approval. The motion was seconded and passed without objection.

**Estimated Project Cost:           \$31,000,000.00**  
*SBC Project No.               540/000-01-2010*

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 12-2-115:

Location: **Haywood County – 200+/- acres – Solar Farm, visible from I-40 & Haywood County Industrial Megasite, Brownsville, TN – Trans. No.**

Purpose: Property to be used for the design, development, operation and management of a five megawatt multi-acre solar power generation facility and Education & Welcome Center to be constructed by Department of Transportation

Term: Effective date thru April 30, 2012

Type: New Lease for the cost of \$1.00 annually

Lessor: University of Tennessee

Lessee: University of Tennessee Research Foundation

Comment: The proposed lease has a 90-day cancellation clause.

SSC Report: 04/12/10. Jurgen Bailey summarized the transaction. Alvin Payne and Paula Flowers from the University discussion in details the purpose of this transaction. This is a lease request to lease for 200+/- acres for \$1.00 per year, for a term until April 30, 2012. UT Research Foundation shall manage the Solar Farm project for the purpose of installing and operating utility scale photovoltaic arrays and related education uses that includes development, installation, connectivity, operations and maintenance, education and expansion activities. The West Tennessee Solar Farm was approved by the US Department of Energy as an initiative utilizing funds from the American Recovery and Reinvestment Act. ECD currently possess \$31 million dollars for the design, development, operation and management of the facility. Staff referred to Subcommittee for discussion.

SC Action: 04/19/10. Bob King presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Greene County – 224 North Main Street, Greeneville, TN – Trans. No. 10-03-006 (Maholland)</u></b>
Purpose:	Acquisition in fee to purchase the property adjacent to the Walters State Community College. Immediate plans for the use of the property will focus on the establishment of an incubation center for the college.
Source of Funding:	Campus Plant Funds
Estimated Cost:	\$285,000 (appraised value)
Owner(s):	Walters State Community College Foundation
Comments:	The Walters State Community College Foundation acquired this property with improvements (4,048 sf house on .66 acres) on 11-5-2009 and the State would like to purchase the property from the foundation.
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Dick Tracy stated that the building will be used for an incubation center for small business startups. The building will be used “as is” until property is needed and then the building will likely be demolished. Staff referred to Subcommittee with recommendation.
SC Action:	04/19/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Rutherford County – 1.2 +/- acres – 1818 Greenland Drive, Murfreesboro, TN – Trans. No. 04-01-015 (Woodard)</u></b>
Purpose:	Acquisition in fee to purchase this property. This is one of the “62” properties on the Master Plan that was approved at the June 26, 2008 Executive subcommittee.
Source of Funding:	2008-2009 GO Bonds
Cost:	\$303,000 appraisal value
Owner(s):	Catherine F. Clark
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.
SC Action:	03-22-10. Discussion ensued regarding the process for estimating real estate values. Secretary Hargett made a motion to defer the item until next meeting. The motion was seconded and passed without objection.
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Dick Tracy explained the method used by the campus to estimate costs of acquiring these properties. Staff referred to Subcommittee with recommendation.
SC Action:	04/19/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.



TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Rutherford County – 1.25 +/- acres – 1812 Greenland Drive, Murfreesboro, TN – Trans. No. 04-01-018 (Woodard)</u></b>
Purpose:	Acquisition in fee to purchase this property. This is one of the “62” properties on the Master Plan that was approved at the June 26, 2008 Executive subcommittee.
Source of Funding:	2008-2009 GO Bonds
Cost:	\$200,000 appraisal value
Owner(s):	Catherine F. Clark
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.
SC Action:	03-22-10. Discussion ensued regarding the process for estimating real estate values. Secretary Hargett made a motion to defer the item until next meeting. The motion was seconded and passed without objection.
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Dick Tracy explained the method used by the campus to estimate costs of acquiring these properties. Staff referred to Subcommittee with recommendation.
SC Action:	04/19/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

**Austin Peay State University, Clarksville, Tennessee**

- 1) Approved a request for a revision in and acknowledgment of the source of funding for **Undergraduate Housing** at Austin Peay State University in Clarksville, Tennessee.

**Estimated Project Cost:** \$30,000,000.00  
**SBC Project No.** 166/003-07-2007

**East Tennessee State University, Johnson City, Tennessee**

- 1) Approved a request for a revision in and acknowledgment of the source of funding for **Buc Ridge Apartments** at East Tennessee State University in Johnson City, Tennessee.

**Estimated Project Cost:** \$ 10,100,000.00  
**SBC Project No.** 166/005-05-2008

- 2) Approved a request for a revision in and acknowledgment of the source of funding for **Buc Ridge Apartment Complex Phase 4** at East Tennessee State University in Johnson City, Tennessee.

**Estimated Project Cost:** \$11,000,000.00  
**SBC Project No.** 166/005-10-2009

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following Disposal in Fee of interest in real property with WAIVER OF (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description: **Williamson County – 1.65 acre fire tower site and residence near Franklin, TN – Trans. No. 09-02-022(GM)**

Purpose: Disposal in Fee Simple of 1.4 acres and Reversion of 0.25 acres.

Original Cost  
To State: \$100.00

Original Conveyance  
Date: Tower Site 1954. Residence 1962.

Estimated Sale  
Price: Fair Market Value

Grantee: Highest Bidder

SSC Report: 03-16-09. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 03-23-09. Subcommittee approved the request as presented.

**Request for approval to accept the highest bid of \$75,000 from Peal Company, LP. Appraised value is \$85,000.**

SSC Report: 04/12/10. Jurgen Bailey summarized the transaction. Jere Jeter stated that this was the 2<sup>nd</sup> time we advertised this tract. The first time we received no bids. The agency would like to sell the 1.62 acres for the \$75,000 highest bid. The remainder 0.25 acres will revert at no cost to the original property owner. Staff referred to Subcommittee with recommendation.

SC Action: 04/19/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

**PIEDMONT NASHVILLE GAS BUILDING, NASHVILLE, TENNESSEE**

- 1) Mr. Fitts presented a request for approval of a revision in funding and acknowledgment of the source of funding from \$1,450,000.00 to \$2,300,000.00 (\$850,000.00 increase) for **Interior Renovation** at Piedmont Nashville Gas Building, Nashville, Tennessee.

Comptroller Wilson asked if this was all the money that was going to be spent. Dottie Hagood responded that this involved Phase 1 and would cover the cost for moving the tenants from the TN Tower. She said that there will be additional costs when MVM and Records Management are moved to the location. In addition, it was disclosed that there is a line-item in the proposed 2010/2011 capital budget for replacement of the existing roof and that in an out year a request would be made to replace the existing building chiller. Treasurer Lillard commented that, hopefully, those costs will be looked at in the future when estimating project budgets. Commissioner Goetz responded that this property was acquired 3-4 years ago and has taken longer than most normal transactions. Secretary Hargett questioned the \$125,000 increase for "what ifs" and asked about the 10% contingency. Mr. Fitts responded that including a 10% contingency is normal, and that if more money is needed, the contingency is maintained at 10% of the increased budget. Bob King commented that, since the State purchased the building, they have collected \$105,000 a month from Piedmont Nashville Gas. He added that when the renovation is completed, the State will end up with a lucrative city block on Charlotte Avenue that has generated a lot of interest in the real estate market. After further discussion, Subcommittee approved the request as presented.

**Revised Estimated Project Cost:       \$2,300,000.00**  
*SBC Project No.                   529/012-01-2009*

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 22, 2010.

DESIGNER SELECTIONS

Approved the following designer selections for projects approved at the April SBC meeting.

- 1) **Department of Safety**  
(Radio Tower Replacement)  
Estimated Project Cost: \$1,675,000.00  
SBC Project No. 502/001-01-2010  
Designer: **BARGE WAGGONER SUMNER CANNON**
- 2) **East Tennessee State University**  
(CoM Building 119 Research Labs Renovation)  
Estimated Project Cost: \$9,127,000.00  
SBC Project No. 166/005-03-2010  
Designer: **BEESON LUSK STREET**
- 3) **Tennessee State University**  
(CARP Roof Replacement)  
Estimated Project Cost: \$135,000.00  
SBC Project No. 166/001-01-2010  
Designer: **GOULD TURNER GROUP**
- 4) **Tennessee State University**  
(Watson Hall Improvements)  
Estimated Project Cost: \$900,000.00  
SBC Project No. 166/001-02-2010  
Designer: **MELVIN GILL & ASSOCIATES**

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There being no further business, the meeting adjourned at 11:09 a.m.

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Knox County – 2.5 +/- acres – Neyland Drive / Alcoa Highway, Knoxville, TN – Trans. No. 10-03-007 (Baugh)</u></b>
Purpose:	Disposal by easement for permanent easement for sewer, water and gas to support UTK Sorority Village.
Estimated Sale Price:	Mutual Benefits
Grantor:	University of Tennessee
Grantee:	Knoxville Utilities Board
SSC Report:	04/12/10. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

B.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Shelby County – 0.039 +/- acres – 711 Monroe Avenue Extension (future ½ interest in alley), Memphis, TN – Trans. No. 10-03-008 (Baugh)</u></b>
Purpose:	Disposal in fee for the property owner contiguous alley closure.
Original Cost to State:	\$0 – future interest to be conveyed by the City of Memphis
Grantor Unto State:	City of Memphis
Estimated Sale Price:	Fair Market Value
Grantee:	James Wolfe
Comment:	A contiguous owner is seeking to close an alley that is one half owned by UT.
SSC Report:	04/12/10. Jurgan Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

C.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Knox County – 600 Henley Street, Knoxville, TN – Trans. No. 10-04-900 (Baltz)**

Purpose: To provide office space for the University Foundation Inc.

Term: July 1, 2010 thru June 30, 2015 (5 yrs.) with one (1) five (5) year option to renew

Proposed Amount: 1,112 Square Feet  
Annual Contract Rent Incl. Utility and  
Janitorial Cost: \$20,016.00 @\$18.00 / sf  
Total Annual Effective Cost: \$20,016.00 @\$18.00 / sf

Current Amount: 1,112 Square Feet  
Annual Contract Rent Incl. Utility and  
Janitorial Cost: \$17,792.00 @\$16.00 / sf  
Total Annual Effective Cost: \$17,792.00 @\$16.00 / sf

Type: New lease

FRF Rate: \$18.00

Lessor: University of Tennessee

Comment: The proposed lease has a 90-day cancellation clause.

SSC Report: 04/12/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 04/19/10. Subcommittee approved the transaction as presented.



D.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER of REM FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Shelby County – 444 S. Highland, Memphis, TN – Trans. No. 09-09-016 (Maholland)</u></b>
Purpose:	Acquisition in fee to purchase the property for future campus expansion. Property is in the Master Plan.
Source of Funding:	G. O. Bonds
Estimated Cost:	\$150,000 per appraisal
Owner(s):	James & Sue McMahon
Comment:	Property will be rented until needed by the campus.
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

E.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and DEMOLISH the BUILDING, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Montgomery County – 240 Marion Street, Clarksville, TN – Trans. No. 10-03-001 (Woodard)</u></b>
Purpose:	Acquisition in fee to purchase the property for future campus expansion near the new student housing complex being built. Property is in the Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	\$135,000
Owner(s):	Joseph Hart, etux
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

F.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Montgomery County – 515 Main Street, Clarksville, TN – Trans. No. 10-03-004 (Woodard)</u></b>
Purpose:	Acquisition in fee to purchase the property for student parking. Property is in the Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	\$640,000
Owner(s):	Cumberland Bank & Trust
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

G.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Rutherford County – 1717 East Main Street, Murfreesboro, TN – Trans. No. 10-03-002 (Maholland)</u></b>
Purpose:	Acquisition in fee to purchase the property for future campus expansion. Property is in the Master Plan.
Source of Funding:	Auxillary Funds (rental income)
Estimated Cost:	\$150,000
Owner(s):	Howard Byrn
Comments:	The house on the property will be rented until property is needed.
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

I.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hamblen County – 6057 West Andrew Johnson Highway, Talbott, TN – Trans. No. 10-04-901 (Baltz)**

Purpose: To provide office, training and related space for the Walter State Community College Career Center

Term: June 15, 2010 thru June 14, 2015 (5 yrs.)

Proposed Amount:	<u>11,693 Square Feet</u>		
	Annual Contract Rent:	\$ 92,649.76	@ \$ 7.92 / sf
	Est. Annual Utility Cost:	\$ 20,462.75	@ \$ 1.75 / sf
	Est. Annual Janitorial Cost:	<u>\$ 12,862.30</u>	<u>@ \$ 1.10 / sf</u>
	Total Annual Effective Cost:	\$125,974.81	@ \$10.77 / sf

Current Amount:	<u>13,000 Square Feet</u>		
	Annual Contract Rent:	\$ 92,649.76	@ \$7.13 / sf
	Est. Annual Utility Cost:	\$ 18,200.00	@ \$1.40 / sf
	Est. Annual Janitorial Cost:	<u>\$ 14,300.00</u>	<u>@ \$1.10 / sf</u>
	Total Annual Effective Cost:	\$125,149.76	@ \$9.63 / sf

Type: New lease – Advertised – received two (2) proposals from two (2) proposers

FRF Rate: \$14.00

Lessor: East Tennessee Property Development, LLC

SSC Report: 04/12/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 04/19/10. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Greene County – 35.19 +/- acres – Lick Creek Wetland Mitigation Bank #1, Greeneville, TN – Trans. No. 10-03-003 (Jackson)**

Purpose: Acquisition by easement to accept as a gift a Conservation Easement for the preservation and protection of the Lick Creek Wetland Mitigation Bank.

Source of Funding: Water Resources, LLC

Estimated Cost: Gift

Owner(s): Water Resources, LLC

SSC Report: 04/12/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 04/19/10. Subcommittee approved the transaction as presented.

K.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Unicoi &amp; Washington Counties – 311 +/- acres – Bumpus Cove WMA / Cherokee WMA, Erwin TN – Trans. No. 10-03-009 (Jackson)</u></b>
Purpose:	Disposal in fee to remove the timber restrictions from 311 acres of property acquired from Nature Conservancy and sold to Lucky Cove.
Original Cost to State:	Equal value exchange
Date of Original Conveyance:	October 23, 1978
Grantor Unto State:	The Nature Conservancy
Estimated Sale Price:	Equal value exchange of timber rights
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. John Gregory explained that this was to correct a land swap error to transfer timber rights restrictions onto State land. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Unicoi &amp; Washington Counties – 311 +/- acres – Bumpus Cove WMA / Cherokee WMA, Erwin TN – Trans. No. 10-03-010 (Jackson)</u></b>
Purpose:	Acquisition in placing timber restriction on 311 acres of State property conveyed to state from Lucky Cove.
Source of Funding:	TWRA
Estimated Cost:	Equal exchange of timber rights
Grantor:	Lucky Cove, Inc.
Original Cost to State:	Equal value land exchange
Date of Original Conveyance:	December 28, 2009
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. John Gregory explained that this was to correct a land swap error to transfer timber rights restrictions onto State land. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.



M.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Rhea County – 0.9 +/- acres (100' x 400'), Fire tower site, Grandview, TN – Trans. No. 10-03-011 (Baugh)</u></b>
Purpose:	Disposal by Declaration of Abandonment of this property. The agency no longer use the property for its intended use as stated in the Deed dated May 24, 1963. The land and improvements will revert back to the previous owner, Mr. William Hilleary.
Term:	N/A
Consideration:	N/A
Lessee:	Mr. William Hilleary
Comment:	TEMA and Rhea County have communication equipment on fire tower. The owner is willing for both to continue to use the facility.
SSC Report:	04/12/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Treasurer Lillard asked if there was going to be a written definitive agreement that memorializes TEMA's use of the tower going forward. He asked that since the owner is willing for both agencies to continue to use the facility, how were they going to document that understanding. Jere Jeter, Division of Forestry, was recognized. He stated that Mr. Hilleary had given him a verbal agreement that he was going to do this. However, due to Mr. Hilleary's recent health issues, he had been unable to contact him, but said he was sure they would get it in writing. Treasurer Lillard stated he would like to go forward with the understanding that it was subject to obtaining a written definitive agreement by continued use at, or prior to, the time they part with control of the tower. Subcommittee approved the request with that understanding.

N.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Henderson County – 40 +/- acres – Parker’s Crossroads Civil War Battlefield, Rock Springs Road / Hwy 22, Parkers Crossroads, TN – Trans. No. 10-02-003 (Baugh)**

Purpose: Disposal by lease for Crop Lease agreement for the property at the Parkers Crossroads Battlefield historic site.

Term: February 1, 2009 thru January 31, 2012 (3 yrs)

Consideration: \$51.00 per acre

Lessee: Tim McDaniel

SSC Report: 03/15/10. Jurgen Bailey summarized transaction. Fred Prouty with the Historical Commission explained that the City of Parker’s Crossroads manages this property under a management contract with the State. The City Manager Steve McDaniel (State Rep.) advertised this crop lease on two occasions and one bid was received and opened at a public opening held on February 5, 2009. Tim McDaniel a relative of Steve McDaniel was the only bidder. The agency has found no indication of any preferential treatment given to Tim McDaniel. Tim McDaniel has a farming agreement with the former owner when the State acquired this property. The State closed on this property on December 2007 and was recorded on January 8, 2008 from Mr. Greg Brit. Staff referred to Sub Committee with recommendation.

SC Action: 03-22-10. At the Agency’s request the transaction was deferred.

SSC Report: 04/12/10. Jurgen Bailey summarized the transaction. Kim Kirk stated that the new maintenance agreement with the City of Parker Crossroads is completed. Staff referred to Subcommittee for consent agenda.

SC Action: 04/19/10. Subcommittee approved the transaction as presented.

O.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Henderson County – 52 +/- acres – Parkers Crossroads Civil War Battlefield, Rock Springs Road, TN – Trans. No. 10-03-012 (Jackson)</u></b>
Purpose:	Acquisition in fee to acquire the property that is currently threatened by a private purchase. If the battlefield property is not acquired by the State, the site will lose its historic integrity connected with the 300 +/- acres currently owned by the State.
Source of Funding:	Civil War Preservation Trust - \$180,000 TEA – 21 federal funds - \$841,407 TDOT - \$104,000 State Land Acquisition Funds - \$200,000
Estimated Cost:	\$1,325,407
Owner(s):	Peggy Britt Bateman
SSC Report:	04/12/10. Jorgen Bailey summarized the transaction. Fred Prouty with the Historical Commission/TN War Preservation stated this is the prominent battlefield site and have tried to buy this for at least ten (10) years. Owner is ready to sell. This property needs to close by September 1, 2010. Staff committee recommended two (2) appraisals. Staff referred to Subcommittee for consent agenda.
SC Action:	04/19/10. Subcommittee approved the transaction as presented.

P.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Wilson County – Lot @ Maddox Simpson, Lebanon, TN – Trans. No. 09-07-900 (Smith)**

Purpose: To provide office space for DLI & THP

Term: January 1, 2011 thru December 31, 2020 (10 yrs)

Proposed Amount:	<u>7,318 Square Feet</u>		
	Annual Contract Rent:	\$103,200.00	@\$14.10 / sf
	Est. Annual Utility Cost:	\$ 12,806.50	@\$ 1.75 / sf
	Est. Annual Janitorial Cost:	\$ 8,049.80	@\$ 1.10 / sf
	Total Annual Effective Cost:	\$124,056.30	@\$16.95 / sf

Current Amount:	<u>1,236 Square Feet – Modular Unit on City property</u>		
	Annual Contract Rent incl. Utility & Janitorial Cost:	\$10,800.00	@\$ 8.74 / sf
	Total Annual Effective Cost:	\$10,800.00	@\$8.74 / sf

Type: New lease – advertised – Received ten (10) proposals from five (5) proposers. Rejecting the lowest proposal due to it's on a busy four lane highway without a turning lane.

FRF Rate: \$18.00

Purchase Option: Yes

Lessor: Cliff Carey & Jeff Vallet

Comment: The proposed lease is a ten (10) year lease with a purchase option for a standalone build-to-suit facility. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter.

SSC Report: 04/12/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 04/19/10. Subcommittee approved the transaction as presented.

Q.

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project to **Demolish House** located at 318 Home Avenue (known as the Foust House) in Clarksville, Tennessee, contingent upon review by the Tennessee Historical Commission.

**Estimated Project Cost:       \$25,000.00**  
*SBC Project No.               166/003-07-2010*

R.

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project to **Demolish House** located at 240 Marion Street in Clarksville, Tennessee, as reviewed by the Tennessee Historical Commission.

**Estimated Project Cost:       \$12,000.00**  
*SBC Project No.           166/003-08-2010*

S.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

WARRIORS PATH STATE PARK, SULLIVAN COUNTY, TENNESSEE

- 1) Approved a project for **Ticket Office Building Demolition** at Warrior's Path State Park, Sullivan County, as reviewed by the Tennessee Historical Commission.

**Estimated Project Cost:       \$0.00**  
*SBC Project No.           126/096-02-2010*

Approved by: \_\_\_\_\_

M.D. Goetz, Jr., Commissioner  
Department of Finance and Administration